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Producer Licensing Uniformity (D) Working Group

Conference Call

# August 21, 2019

The Producer Licensing Uniformity (D) Working Group of the Producer Licensing (D) Task Force met via conference call August 21, 2018. The following Working Group members participated: Chris Murray, Chair (AK); Karen Vourvopoulos, Vice Chair (OH); Charlene Ferguson (CA); Peggy Dunlap (AR); Matthew Guy (FL); Lisa Tordjman (ID); Kelvin Zimmer (ND); Gina Goodro (NE); Lorinda Martinez (NM); Barbara D. Richardson (NV); Rachel Chester (RI); Randy Overstreet (UT); and Ron Grishaber (WI).

1. Reviewed the State Licensing Handbook Model #218

Mr. Murray said the purpose of this conference call is to continue the review of the *State Licensing Handbook.* Mr. Murray said the Working Group’s goal is to finalize the review and meet their end of October deadline. Mr. Murray said he has set up an aggressive comment and conference call schedule moving forward with all information being posted on the Working Group’s webpage.

Mr. Murray said on the last call the Working Group ended the call following a comment from MI concerning the Frequeently Asked Questions 10 and 12. Mr.

First comment from AK and OH – relates to committee structure of the NAIC. In several place it is associated the PLTF with EX. Suggestion that it would be changed to D committee.

VA comment – anywhere in handbook where it refers to gender. Remove gender and replace with them instead of him or her/ (he or she). WG discussed and for more than one person it would be “them” and for singular person it would be replaced with “person” Working Group agrees.

WI comment – somewhat formatting. Suggest that we add links to appendix where appropriate. The Working Group discussed. Greg Welker (NAIC) suggested that there has been discussion that appendix would be electronic only and a webpage would be set aside for just the handbook. This link would be listed in the handbook The Working Group discussed and agreed to moving the appendix electronically.

VA submitted a comment that stated a lot of work A lot of work remains to be completed to make NARAB operational. Substantial industry involvement in that process is required. Perhaps add a note that NARAB II has yet to be properly enacted and waits for Congress to take action to form the Board. Ms. Vouropolous suggests that language be used stating “at the tme of the publication of this handbook NARAB has not been completed for additional updated information please see the NAIC link. (LINK)”

VA submitted a comment in chapter 1 on page 6 there is a continuation of the National Insurance Producer Registry language speaking directly to how NIPR works with NAIC. Mr. Murray said VA suggestion is to add Guam to the list on “1) the Producer Database (PDB), which includes licensing information from 50 states, the District of Columbia and Puerto Rico, utilized by the industry for licensing and appointment information”. Laurie Wolf stated they actually now encompass Guam and Virgin Islands. The Working Group discussed and agreed that the NAIC language would be used to remain consistent. The new lanauge would read the Producer Database (PDB), which includes licensing information from states, the District of Columbia and five U.S. territories. utilized by the industry for licensing and appointment information.

American Soma and Northern Mariana Island not being on the PDB the language would be changed to see “NIPR webpage for the states/jurisdiction and U.S. territories participating in the PDB.”

WI submitted a comment on chapter 1 page 6 concerning the NIPR Attachment Warehouse. Mr. Murray stated WI stated that this section should provide the whole scope of what NIPR offers, recommending language be added regarding the submission of company appointments and terminations if required by the state. The Working Group discussed and agreed that this language be looked at again when the Working Group reviews Chapter 11 Appointments.

Moving on to Chapter 2. First comment was from AK. Chapter 2 page 11 under the Frequently Asked Questions section. The first paragraph states “The latest version of these documents can be found on the Producer Licensing (EX) Working Group’s web page on the NAIC website.” Mr. Murray suggests the sentence be changed to refer that “The latest version can be found on the NAIC State Licensing Handbook webpage within the appendix section.” The Working Group discussed and agreed.

CA comment on page chapter 2 page 7 suggesting that under the definition section the term “sell” be changed to “effect contracts of insurance”. The Working Group discussed and determined that this language change would not be consistent with the Producer Licensing Model Act and should not be changed.

CA comment on chapter 2 page 7 suggesting adding language to six major lines specifically on Accident and Health. Mr. Murray said CA suggest adding “or Sickness” to Accident and Health. The Working Group discussed and agreed with change.

CA comment on chapter 2 page 9 suggesting language be added to section 8 stating “States may also require fingerprints from nonresident licenses if the licensees were not previously fingerprinted as a condition of obtaining an insurance producer license in their resident state.” The Working Group discussed and agreed that this would not be consistent with the PLMA and should not be included. The Working Group agreed that this could be added in another section under the FAQ section. Mr. Murray suggested CA submit suggested language that could be added in the FAQ’s

CA submitted comment on chapter 2 page 10 on section 14 concerning appointments. Mr. Murray stated CA suggested language be added stating “if states require the appointments to be renewed.” The Working Group discussed and agreed that this should not be addressed in this section which summarizes the PLMA but it should be discussed again in chapter 11 concerning appointments.

CA submitted comment on chapter 2 page 10 concerning section 16

at the start of the application review process, some of the suggestions received by the Working Group were shared with NAIC Legal Division to review and ensure that the revisions being suggested would not cause any issues with current state laws. Mr. Murray said, on the last conference call, the Working Group started discussing the NAIC Legal Divisions’ feedback.

Mr. Murray said the Working Group’s goal for today’s conference call is to complete its review of the Uniform Application for Individual Producer License/Registration (Individual Initial Application) and then move to the Uniform Application for Individual Producer Renewal/Continuation (Individual Renewal Application). After both individual applications have been reviewed, the Working Group will review both business entity applications.

Mr. Murray said the first comment to review is regarding Section 38, question 2 and the definition of “Involved.” Mr. Murray said the Securities Insurance Licensing Association (SILA) submitted a comment asking for clarification on being assessed a fine. Mr. Murray said SILA is asking whether the applicant is required to disclose late action regulatory filing fines or fees (e.g., late address change fines) or are late filing fees not considered administrative actions and are outside of the disclosure requirements. The Working Group discussed and agreed that adding language to the last sentence stating “or late filing fee” will provide further clarification.

Mr. Murray said the Working Group has completed its review of the Individual Initial Application and will now move to reviewing the Individual Renewal Application. Mr. Murray said he would work with NAIC staff and the Working Group vice chair to review all revisions being made on the Individual Initial Application and apply these changes to the Individual Renewal Application, as well as the business entity applications, where appropriate.

1. Reviewed the Individual Renewal Application

Mr. Murray said the first suggestion for the Individual Renewal Application is from Ohio, requesting to add a new field in the Demographic Information Section to ask applicants, “Are you a citizen of the United States? (Check One).” The Working Group discussed and agreed the new field would be added.

Ms. Vourvopoulos said the National Insurance Producer Registry (NIPR) offers personal, business and business fax phone numbers as options in its Contact Change Request (CCR) application. Ms. Vourvopoulos said, for consistency, Ohio suggests changing “Home Phone Number” to “Personal Phone Number” on all applications and to add it as a new field on the Individual Renewal Application. The Working Group discussed and agreed to this suggestion.

Mr. Murray said the next suggestion is also from Ohio, suggesting that a new field box be added asking for applicants to provide their Financial Industry Regulatory Authority (FINRA) number. Ms. Vourvopoulos said this is requested on the Individual Initial Application and there have been times when it is necessary for a renewal application. The Working Group discussed and agreed to add this to the Individual Renewal Application.

Mr. Murray said the next comment is from Oklahoma concerning background questions. Mr. Murray said Oklahoma’s suggestion is to add information before the beginning of each questions with “Since your last renewal date…” so applicants do not report previously reported convictions. The Working Group discussed, and it was determined that this language was previously found on the 2013 version of the application. The decision during the last review process was to remove this language. The Working Group discussed and agreed to keep the background questions as-is.

Mr. Murray said the next suggestion is from Connecticut, suggesting that background question 3 on the Individual Initial Application be added to all applications. The Working Group discussed and agreed that this would not be added.

Mr. Murray said, in addition to question 3, Connecticut submitted a suggestion to add background question 4 from the Individual Initial Application to all applications. The Working Group discussed and agreed that this would not be added.

Mr. Murray said this concludes the review of the Individual Renewal Application. He said the Working Group will next begin a review of the Uniform Application for Business Entity License/Registration and the Uniform Application for Business Entity License Renewal/Continuation.

Mr. Murray said a joint Producer Licensing Uniformity (D) Working Group and Uniformity Education (D) Working Group interim meeting will be held June 18 at the NAIC/NIPR Insurance Summit in Kansas City, MO. Mr. Murray said the goal at the joint interim meeting will be to finalize the review of the remaining applications.

# Having no further business, the Producer Licensing Uniformity (D) Working Group adjourned.

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